Title: Responsive Program Implementation Guidance

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Purpose

To provide staff's recommendations for the implementation of the Responsive Program and obtain Board input to help refine the program before it is reviewed with external stakeholders in Quarter 4, 2021.

Background

Overview
The Minnehaha Creek Watershed District (MCWD or District) is focused on the protection and improvement of natural resources in ways that support thriving communities. Since what happens on the land is the primary driver of ecosystem health, MCWD's Balanced Urban Ecology Policy (BUE Policy) recognizes that the District can best achieve its mission by working in close partnership with those who change the landscape. By integrating its work into land use change -- such as economic development, infrastructure, and parks and open space -- MCWD not only achieves its environmental goals, but also broader social and economic objectives, thereby delivering maximum value to the taxpayer.

Since adopting its BUE Policy in 2014, and building its 2017 Watershed Management Plan (WMP) around the same principles, MCWD has begun putting this commitment into action by targeting work in "focal geographies" currently located within the Minnehaha Creek subwatershed, and the Six Mile Creek-Halsted Bay subwatershed. Focusing work in an area of high need over an extended period of time allows MCWD to build the relationships, local knowledge, and momentum to meaningfully integrate into land use changes. This approach has produced significant water resource improvements as well as community benefits.

While this geographic focus has generated a number of high-impact projects, MCWD also recognizes that there are needs outside of these focal areas that must be addressed. Throughout the watershed, land use changes present windows of opportunity for water resource improvement that, if missed, may not come around again for decades. Without a system to identify, evaluate, and respond to opportunities throughout the watershed, MCWD will not be able to fully deliver the value to its communities that comes with integrating water resource investment into land use change.

The District recognizes the need for a thoughtful approach for responding to opportunities across the watershed that will complement MCWD’s focal geography approach, maximizing its effectiveness as a water resource agency. To ensure MCWD is in a position to capitalize on opportunities throughout the watershed, the District began development of a formal program that has three key components:

- Identification: How MCWD will identify opportunities.
- Evaluation: How MCWD will determine which opportunities to pursue.
- Response: How MCWD will commit resources to the opportunities it chooses.
By defining a process for how it identifies, evaluates, and responds to opportunities, MCWD will continue to close the gap between land use and water planning, and provide increasing levels of stacked benefits for its communities and residents.

**Work to Date**
The District’s 2017 WMP broadly framed this approach of “opportunity-driven implementation” and incorporated opportunity-based stormwater management projects into the capital improvement plan (CIP) for each of the eleven subwatersheds. To further define this approach, in late 2019, staff presented a draft framework to the Board for what is now referred to as the Responsive Program. This included a draft purpose, goals, high-level process, and evaluation criteria. Since that time, staff has been operating the program in a pilot phase while continuing to develop the internal workflows, technology tools, formal policy and guidance documents, and outreach materials to support the program.

**Summary**
Based on staff’s experiences and lessons learned during the pilot phase, staff has developed draft implementation guidance for the Responsive Program (see Attachment 1) which would formally establish the terms of the program. Below is a summary of the program purpose and goals as well as the key program decisions and the staff recommendation and rationale for each. The recommendations outlined below were developed with the support of a cross-departmental team and MCWD legal counsel. Staff is seeking Board input on these recommendations to refine the draft Responsive Program Implementation Guidance for review by the District’s cities and other partners through a Technical Advisory Committee in Quarter 4 of 2021.

**Responsive Program Purpose and Goals**
The purpose of the Responsive Program is to provide support for public and private projects that are well-coordinated with the District and align with District goals and priorities. MCWD’s intent under the Responsive Program is to achieve the following goals:

- **Improve water resources**
  - Achieve significant, measureable progress towards District goals by capitalizing on opportunities created through land use change.

- **Improve integration and early coordination with land-use planning**
  - Promote and incentivize closing the gap between land-use and water resource planning by establishing clear pathways and an orderly process for early coordination.

- **Provide service and value to communities**
  - Remain responsive to needs outside of the District’s focal geographies by providing support for partner-led projects that address water resource needs and priorities identified by the District.

- **Maintain focus and flexibility**
  - Operate the program in a way that supports the District’s principles of focus and flexibility, by maintaining focus on high-impact projects and ensuring the flexibility to develop creative partnerships.

**Scope and Eligibility**
What is the scope of activities and partners that the District is looking to identify and support through this program?

**Description**
The District is presented with a wide range of partnership opportunities, both in terms of the types of activities and the potential partners. However, the District has limited capacity to respond to opportunities if it is to maintain its focus on project development and implementation in its focal geographies. Therefore, the program aims to target those opportunities that most closely align with District goals and priorities and will put its limited financial and staff resources to highest and best use.

**Recommendation**
The program would develop and implement capital project opportunities that measurably improve water resources at a regional scale. This would exclude support for programmatic/operational activities such as education and street
sweeping. The District can still choose to consider partnership requests for programmatic/operational activities, but those would fall outside of this program’s review process.

The Responsive Program is designed to target projects of regional significance with partners that have capacity to lead implementation. Projects will be primarily identified through coordination with municipal and other public partners or through review of private development under the Permitting Department. The program is not intended to support small-scale best management practices (BMPs), such as residential rain gardens.

**Rationale**

- The District has chosen a strategy of delivering high-impact projects as the way it will accomplish its mission and has aligned its programs in support of project delivery.
- A focused program scope will improve effectiveness and efficiency by reducing overhead associated with evaluating and responding to requests that are not well-aligned with District goals. It will also improve clarity and understanding for prospective partners.
- The District has operated grant programs in the past for smaller-scale BMPs and education-focused projects/programming which were evaluated and suspended through the strategic planning process based on a determination that they did not provide sufficient return on investment or progress toward District goals and priorities.

**2017 WMP Connection and Funding Mechanism**

What is the foundation for the program in the WMP and what are the associated procedural requirements for funding and public process?

**Description**

To provide the District with the flexibility to respond to project opportunities created through land use change and partner initiatives, the District built two options into its 2017 WMP:

- **Option 1: Capital Improvement Plan**
  - The WMP incorporates opportunity-based stormwater management projects into the capital improvement plan (CIP) for each subwatershed. These allow the District, after undertaking the project ordering process, to contribute funding to a project that will make progress toward the volume and load reduction goals identified in the WMP.

- **Option 2: Incentive Program**
  - The WMP describes an “Opportunity Grant Program” that allows the District to reestablish a grant program, if it chooses. As with the CIP approach, the District could require partners to come to the District early with their proposed projects to be evaluated and prioritized on a District project funding list. A grant approach would require the establishment of an annual program budget and review of proposals by the Citizens Advisory Committee (CAC).

**Recommendation**

Staff recommends Option 1, that funding for project implementation under the Responsive Program be approved through the District’s CIP.

**Rationale**

- The CIP option is anticipated to be a more effective approach for promoting early coordination and collaborative planning with public partners, allowing for greater District influence over project development and implementation and potentially higher quality projects as a result.
  - The tradeoff is that with greater involvement comes higher overhead.
- The CIP approach would allow the District to provide a custom-tailored response to each opportunity in terms of the level and type of service provided, as opposed to the more standardized approach of a grant program.
  - The tradeoff is that with greater flexibility comes an increased need for expectation management and negotiation with partners.
- Based on staff’s scope recommendation, the program would target larger-scale projects, typically with public partners, which operate a similar CIP process and would allow for those processes to be synchronized.
A grant program has the potential for a more expedited review and approval process, which could be useful for faster-moving private projects. The District could consider adding a grant program for private opportunities in the future if a more expedited process is determined to be needed.

- The CIP approach would not require the District to establish an annual program budget, but rather allow projects to be evaluated as part of the District’s annual CIP and budgeting processes to ensure organizational alignment and capacity.
- The CIP approach would provide a higher degree of public transparency and accountability by routing projects through the annual CIP review period as well as individual public hearings ahead of project ordering.

**District Services**

*What is the range of services the District should provide to support the program’s goals and intended outcomes?*

**Description**

Depending on the determined program scope and funding structure, as discussed above, the potential range of District services could vary. Typically, under a grant program, the grant agency has little to no involvement in project development and the services are limited to providing project funding. Under the proposed CIP approach, the District would be engaged early in project development and could provide a broader range of services to support project development and implementation (e.g. technical assistance, funding strategy, stakeholder engagement).

**Recommendation**

Under the recommended CIP approach, the District would be able to leverage its full range of services to support and influence project development. The proposed process establishes breakpoints between the project phases of concept development, feasibility, and implementation. At each phase, the District would determine the type and level of support using its evaluation criteria and internal guidance (described below).

Services that could be provided under Phase I: Concept and Phase II: Feasibility include:

- Technical or diagnostic assessment, data collection, modeling
- Regulatory analysis or coordination with regulatory authorities
- Small-area planning or market study
- Exploring grant or other funding sources
- Land rights assessment, acquisition of land rights option, and/or land appraisal

Phase III: Implementation encompasses project design, construction, and maintenance. Services that could be provided under Phase III: Implementation include:

- Outreach and stakeholder engagement
- Grant application
- Funding
- Land acquisition
- Design
- Construction
- Maintenance

To support this approach of providing a broader range of services, staff recommends that the staff and Board have further discussions about the services the District is and isn’t willing to provide and develop supplemental guidance to establish clear expectations for partners.

**Rationale**

- This approach incentivizes partners to invite the District into their planning process early in exchange for potential services through project development, allowing the District to more effectively integrate its goals and influence project design.
• Partners often look to the District for support in areas such as technical assistance and funding strategy and would value these services.
• This approach provides the District with flexibility to support projects in a variety of ways depending on the needs of the partner, the priority level of the project, and the District’s capacity.

**Process and Schedule**
*What is the review process and program timeline?*

**Description**
The District must determine to what extent it wishes to establish a schedule with deadlines for the submittal of requests and the timing of those deadlines. During the pilot phase, requests have been accepted year round, which can result in the need for budget and CIP amendments on an expedited timeline to accommodate partners’ project schedules.

**Recommendation**
Staff recommends that the District establish a structured process that aligns with the District’s annual CIP and budget development and approval process. It would establish deadlines for requests for District participation in both the feasibility and implementation phases. The proposed deadlines are intended to feed into the District’s CIP and budget schedule to allow adequate time for District review and required actions while also remaining responsive to partners’ schedule needs. Staff are currently proposing the following program deadlines:

- July 1 (year prior to feasibility) - deadline to submit project concept and request District participation in feasibility
- January 1 (year prior to implementation) - deadline to submit feasibility report and request District participation in implementation

The proposed schedule will continue to be refined in coordination with Project Planning staff and will also be a key area for TAC input to ensure that it meets partners’ needs.

Projects that originate in the District’s permitting review, and that relate to private or public development, will tend to come with external timing imperatives. It is contemplated that the Board would need to consider these projects on a schedule that may not match the District’s annual budget and CIP development process, and that the District may need to finance its project costs from its strategic reserves.

**Rationale**
- The proposed approach would allow for effective and efficient administration of the program by ensuring that the District would have the time needed to review and act on project requests on a reasonable schedule.
- The proposed schedule would allow the District to review all projects on the same timeline as part of its budget development process and consider its financial and staff capacity as part of its decision.

**Staff and Board Roles**
*What are the staff roles in implementing this program, and what are the points of engagement for the Board of Managers?*

**Description**
To provide a range of services and ensure continued organizational alignment, this program needs to be structured to include cross-departmental coordination with key roles from the Board of Managers and Policy Planning and Permitting Department staff.

**Recommendation**
Project identification and evaluation will primarily be led by Policy and Planning staff for public partner opportunities and by Permitting staff for private opportunities identified through the development review process. These lead staff will utilize a cross-departmental team for review and vetting of their evaluation and recommendations prior to Board review.
Points of engagement with the Board of Managers will include:

- At least annually, staff will provide an update to the Policy and Planning Committee on program operations and opportunities in the concept phase.
- The Board will decide whether a project moves to Feasibility phase, and consider Feasibility-phase expenditures beyond the Administrator's authority.
- The Board will decide whether the District will proceed to project implementation, and will be responsible for all formal actions subsequently necessary to order and implement the project.

Rationale
- Approach allows the Board to keep a pulse on the range of opportunities coming in and the status of opportunities and their potential for partnership.
- Board has approval authority over allocation of any significant staff or financial resources for project development and implementation to ensure continued organizational alignment and focus.
- Division of staff roles between Policy Planning and Permitting increases staff capacity, promotes staff growth and retention, and allows for a single point of contact for partners from project identification through implementation.

Opportunity Identification
How does the District effectively and efficiently identify opportunities?

Description
Throughout the watershed, land use changes present windows of opportunity for water resource improvement that, if missed, may not come around again for decades. Historically, MCWD often receives opportunities after they are already substantially planned. It is critical for the success of the Responsive Program to ensure there are clear, orderly processes to identify public and private project opportunities.

Recommendation
Under the Responsive Program, the intent is to identify projects that can be developed collaboratively. Therefore, a project must be identified at a time when District and partner goals still can be fully realized within a collaborative framework. Under the program, the District identification process would utilize both proactive and passive pathways for the Permitting and Policy Planning Departments to identify public and private opportunities early in the planning process, including:

- Public Pathways:
  - Municipal local water management plans and respective coordination plans
  - Annual exchange and review of CIPs
  - Annual meetings with municipal, county, and agency partners (per established coordination plans)
  - Project-specific requests/coordination from public partners

- Private Pathways:
  - District staff screening of permit applications
  - Pre-application review requests via the new Permitting Portal
  - Municipal agreements for private development review and permitting (as developed through Permitting Alignment)
  - Project-specific requests/coordination from private partners

These public and private pathways are supported and will be continued to be strengthened by efforts to market the program and provide clear guidance.

Rationale
Approach provides clear pathways for the District to identify land use changes during a critical window in order to avoid missing key opportunities with public and private implementers.

**Criteria and Evaluation Process**

*How does the District evaluate opportunities to determine whether and how it will provide support?*

**Description**

The District needs a system for evaluating project opportunities to determine the priority to the District and the type and level of support it will provide. There are more qualitative or quantitative approaches that could be considered.

**Recommendation**

Consistent with the approach used during the pilot phase, staff recommends that opportunities be evaluated using the following four criteria categories:

- **Resource Need and Priority**: Alignment with the resource needs and priorities identified in the District’s Plan or through ongoing monitoring and diagnostic efforts
- **Project Benefits**: Estimated benefits across the District’s goals of water quality, water quantity, ecological integrity, and thriving communities
- **Cost-effectiveness**: Cost effectiveness compared to alternatives or other past/current project opportunities
- **Coordination and Partnership**: Strength of partner’s coordination, integration of District goals, and willingness to commit resources to advance the opportunity

Considerations under each of these four categories are further defined in Attachment 2 (Criteria and Evaluation Form). Staff would use these considerations to develop a ranking of Low, Medium, or High for each of the four categories and would document the reasoning for the ranking. This approach of high-level ranking is preferred over a scored system, such as those typically used for grant programs, because it provides for meaningful comparison of opportunities without being overly rigid or formulaic. Attachment 2 also outlines key considerations for District staff to use to inform recommendations regarding District roles and services. Staff’s evaluation and recommendations would then be vetted and refined through a cross-departmental staff team before being brought forward for Board review.

**Rationale**

- The proposed approach provides partners with a clear and transparent evaluation framework while still retaining flexibility by avoiding a rigid or formulaic approach.
- MCWD often receives opportunities after they are already substantially planned. Inclusion of the fourth criteria category of Coordination and Partnership will incentivize partners to come to the District early to develop a collaborative framework to explore both shared and individual goals within a single project.

**Program Funding**

*How is the Responsive Program funded?*

**Description**

The District needs to have the ability to respond to project opportunities by providing services, including funding, at critical project lifecycle milestones. Therefore, the District needs program funds to support project development services and project implementation.

**Recommendation**

Consistent with budget practices during the pilot phase, there would be a line item included within the program budgets for both the Planning and Permitting departments for “Responsive Planning” to provide project development services during project concept and feasibility phases. These amounts would be set annually by the Board and informed by past years’ spending and the volume of opportunities that are “in the hopper”. Spending would be subject to the delegated spending authorities of the Administrator.

The District would fund project implementation through its CIP, and the proposed program schedule would ensure that requests for funding are received in time for review and incorporation into the District’s annual budget process. In
addition, to provide flexibility for faster-moving projects that the Board decides are worth funding, there is the ability to amend the budget and draw from reserves in the Capital Finance sub-fund.

**Rationale**

- It ensures transparency and public process through the District’s established CIP procedures (e.g., annual distribution of CIP, public hearing, project ordering).
- This approach would still allow the District to pursue faster-moving projects, such as private development opportunities, outside of the annual budget and CIP development process by utilizing the District’s strategic reserves (i.e., Capital Finance sub-fund).

**Next Steps**

Upon completion of Board discussion and input regarding the proposed Responsive Program Implementation Guidance and the proposed Permitting Alignment policy shifts and supporting frameworks, the District staff will next bring forward the proposed Stakeholder Engagement Process (SEP) in September. District staff will review and discuss the proposed SEP, including the development of a Technical Advisory Committee (TAC) to review and inform the proposed Responsive Program and Permitting Alignment recommendations to ensure these policies effectively serve the District’s communities and that they are well understood and supported. Additional internal and external guidance documents and outreach materials are also being developed to support these two efforts. A final policy statement for the proposed Responsive Program will then be brought back to the Board for adoption in early 2022.

**Supporting documents**

Attachment 1: Draft Responsive Program Implementation Guidance
Attachment 2: Draft Criteria and Evaluation Form
RESPONSIVE PROGRAM IMPLEMENTATION GUIDANCE
(Adopted by MCWD Board of Managers, [date])

This guidance document sets forth how the Minnehaha Creek Watershed District ("District") will implement the Responsive Program approach contained in the District's 2017 Watershed Management Plan (WMP). The District Board of Managers ("Board") intends by this guidance to foster consistent and efficient District implementation of the Responsive Program, and to communicate a clear and transparent framework to the District's public partners and others who may seek to advance projects under it.

The District Administrator will direct staff efforts in accordance with this guidance, and will keep the Board informed, and bring matters to the Board for formal action, as provided here. While the District intends to act in accordance with this document, it is for internal District guidance only, and creates no right in any third party. The District Administrator may exercise judgment in interpreting and applying terms herein, and the Board, in its discretion, may deviate from these terms as it judges necessary or appropriate.

Section 1 – Purpose of Responsive Program

The District manages, protects and enhances water resources to support thriving communities. In 2014, the District adopted its Balanced Urban Ecology (BUE) policy, acknowledging the role of water resources and the surrounding natural environment in the health of communities, and recognizing that what happens on the land, in turn, most directly drives the condition of the District's water resources. The BUE policy rests on the idea that the District can deliver the most value to its residents by working in partnership with those who plan for and change the landscape. The BUE policy influenced and was brought into the WMP.

A central element of the BUE concept is to target work in "focal geographies." Here, the District focuses work in an area of high need over an extended period of time. This allows the District to build the relationships, local knowledge, and momentum to meaningfully integrate its work with land use changes and advance a set of projects that build on each other. This approach has produced both significant water resource improvement and community benefit. To date, this focused work has included work within the Minnehaha Creek and Six Mile Creek-Halsted Bay subwatersheds.

The District, however, must complement its focal geography approach with ongoing work throughout the District to address community needs and priorities, and capture opportunities. Throughout the watershed, land use changes, and capital construction and replacement by cities and other public bodies, create a window of opportunity for water resource improvements that may not reoccur for many years. Accordingly, the WMP frames “opportunity-driven implementation” and incorporates opportunity-based project work into the capital improvement plan (CIP) for each of the District's 11 subwatersheds. The Responsive Program is how the District, with its public and private partners, will identify, evaluate and implement these projects. Foremost, this requires integrating water resource with city land use and capital planning, and early and ongoing coordination in these realms.
This Responsive Program guidance applies to potential projects that do not lie in an existing focal geography, and to those that lie within an existing focal geography subwatershed, but that have not emerged as a part of the focal geography program for that subwatershed. Projects that are not eligible for District funding or other participation under this guidance may be supported under other District programs.

Section 2 - Responsive Program Project Scope

a. Project Type

The Responsive Program will advance two project types:

(a) Structural projects: Capital projects with an extended, durable lifetime that will produce measurable outcomes toward identified District water resource goals.

(b) Land rights acquisition: Land and easement acquisition under the District land conservation program, for opportunities that may arise other than in support of focal geography work.

b. Project Identification

Under the Responsive Program, projects are to be identified and developed collaboratively. The program is not a potential source of funding for a project that already has been designed, but rather looks for opportunities to accommodate shared and independent District and partner goals within a single project effort. Therefore, a project must be identified at a time when District and partner goals still can be fully realized within a collaborative framework.

For early project identification, District staff will use two principal program modes:

- **Coordination with cities**: Under the WMP (Appendix A.5), the District has in place with each city a coordination plan. The purpose of this plan is so that District and city staff communicate and coordinate with respect to city land use, infrastructure, park and recreation, and capital improvement planning, as well as prospective private development within the city. District Policy Planning staff will work with city staff to share the Responsive Program framework as an element of coordination, and to continue to refine coordination under the plan so as to best serve to identify potential projects meeting the criteria of this guidance.

- **Regulatory program**: Public or private development that is not identified through coordination with city land use planning and regulation will present itself to the District’s permitting department at a pre-permitting or permitting stage. While timing may be less favorable for ordinary project development and budgeting, Permitting staff will screen pre-permitting concepts and permit applications for collaborative project opportunities. The District Administrator will prepare further guidance for regulatory screening that ensures that screening does not disrupt timely review of applications for those not interested in partnered opportunity,
that all applications continue to be carefully reviewed for compliance with District rules, and that District funds do not displace a project partner's rule compliance costs.

Besides these two active modes, District staff will be open to opportunities that are brought forward in other ways, for example by public agencies other than cities, or by property owners proposing a conservation land interest donation. Such opportunities otherwise must conform to this guidance.

c. Project Proponent

The Responsive Program seeks to advance projects that achieve measurable outcomes at a scale that is both regional (at least at the minor subwatershed scale, as defined in the WMP) and of importance to the city or cities in which it is located. Ordinarily, the city is an essential partner in identifying the regional goal, the opportunity to address it, and the local benefit this will bring. For this reason, the District will look to its cities as principal project proponents.

- The District expects that most projects will arise from direct District/city coordination.
- A private project proponent may come forward outside of the context of a proposed development subject to District permitting. Here, the District will look for active city sponsorship or support, to ensure both that the project comports with local priorities and that there is partner capacity to implement it.
- For project opportunities that arise from District permit review of private development, District staff will reach out to the city to determine potential forms of city project support, whether as a project partner, or as a planning and regulatory authority.
- Other public agencies, such as parks or transportation authorities or state agencies, may be project proponents without city engagement.

Section 3 - Project Development Framework

a. Phase I: Concept

When a potential project is identified, either by District staff, or by a city or other project proponent coming forward, the first threshold determination for District staff is whether the project should proceed to a formal feasibility study. District staff will:

- Request that the proponent define its own project interests, schedule, contingencies and further information needs.
- Identify the regional water resource need and potential benefit that merits the District's involvement.
- Identify District project goals, potential project concepts, and further information needs to evaluate the District's interest.
- Determine the city's potential interest.

Where the District is approached by a city or another project proponent, District staff in the first instance will expect the proponent to define the regional benefit and, if the proponent is not a city, to
initiate city engagement. Where District staff first identifies the potential for a partnered project, it will undertake these steps.

The District will maintain Planning and Permitting subfunds that, apart from any other uses, will support spending for the Concept and Feasibility phases of project development. Each year, the Board will establish a budget for the Administrator’s delegated spending authority. The Administrator, within per-task and aggregate delegated spending limits, may fund work that will assist the District in deciding whether there is a favorable project concept that should be subject to feasibility review. The Administrator has wide discretion in the use of the subfund for purposes such as, but not limited to:

- Technical or diagnostic assessment, data collection, modeling
- Regulatory analysis or coordination with regulatory authorities
- Small-area planning or market study
- Land rights assessment
- Acquisition of land rights option
- Land appraisal
- Exploring grant or other funding sources

The criterion for funding such work is that it must advance the District’s ability to evaluate a potential opportunity, and may not be for an independent or stand-alone purpose not directed toward evaluation. In deciding to invest District funds, the Administrator may apply, in preliminary fashion, criteria referenced in section 3.b.

Much staff work will not result in a project that moves beyond the Concept phase. Accordingly, annually, or at such other frequency as the Board Policy & Planning Committee may specify, the District Administrator, by staff, will report to the Committee on Responsive Program implementation.

b. Phase II - Feasibility

The District Administrator, by staff, may bring before the Board, with or without recommendation, a decision to proceed to feasibility assessment. The Board will decide whether to move forward, and will take necessary actions including, but not limited to, approving feasibility-stage project agreements or memoranda of understanding, and authorizing funding for District share of feasibility costs when such costs will exceed the Administrator’s delegated authority or subfund budget.

During the Feasibility phase, District staff will work with the city or other project proponent to formulate a proposed framework of project implementation roles, and a project funding concept.

When feasibility work is completed, District staff will evaluate the project. For consistent application by District staff, the District Administrator will define evaluation criteria, which will include the following:

- Will the project advance a water resource goal that is a District priority identified in the WMP, or through ongoing District monitoring and diagnostic work?
• Will the project have a meaningful outcome at a minor subwatershed scale or larger, in one or more realms of water quality, water quantity and ecological integrity?
• Is the outcome measurable, reliable and durable?
• Will the outcome be achieved cost-effectively?
• Will the project reflect substantial coordination and integration of city and other partner goals?
• Is the project within the District's present financial and human resource capacity?

Evaluation criteria may be qualitative, but will be reproducible and allow for meaningful comparison of projects across both focal and responsive realms.

c. Phase III - Implementation

When feasibility work is completed, the Administrator, by staff, will report to the Board. The Board, applying the criteria of section 3.b, will decide whether to proceed with the project. The request for board action will review the potential roles of the parties in project implementation, including roles in grant application, funding, design, land rights acquisition, community outreach, construction and maintenance.

Because project implementation funding decisions are coordinated with the District’s annual Capital Improvement Program review and its annual budget process, projects in feasibility review may tend to come before the Board for implementation review together, or close in time. The District intends to evaluate each project independently, on its merits. Nevertheless, the choice to proceed with a project, particularly one that will involve substantial District staff time or funds, necessarily will be affected by other demands on District resources, and other opportunities, within the project implementation timeframe. This is reflected in the capacity criterion in Section 3.b, above.

If the Board determines to proceed, the project will proceed in the normal course of a capital improvement project or property acquisition. The Board will make or schedule project implementation decisions as recommended by staff and District counsel including, but not limited to:

• Amending the District's capital improvement program.
• Directing preparation of, and approving, project agreements.
• Approving grant applications or other funding steps.
• Approving purchase agreement or otherwise advancing land acquisition.
• Ordering the project pursuant to Minnesota Statutes §103B.251.
• Authorizing preparation of design plans and acquisition of permits.

d. Schedule

Projects that arise from city coordination or as brought forward by other project proponents are expected to follow an orderly process. The District must have been engaged in project Concept and Feasibility phases so that the proposed project optimally reflects District water resource goals. For budgeting purposes:
• By July 1st, the District must be engaged by receiving a project proponent's concept submittal and request for District participation for feasibility work in the following calendar year;
• By January 1st of the year prior to when substantial District funds would be incurred for implementation, the District must receive completed feasibility work, including project benefits and feasibility-level cost estimate.

Projects that arise from the regulatory program may proceed within a more compressed timeframe, in light of the proponent's development schedule. District staff will seek the proponent's cooperation to independently assess that schedule and whether it may be adjusted. Where the development schedule doesn't allow for orderly project funds budgeting, the Administrator will offer a recommendation to finance the District's share of project expenses from the capital finance subfund or another source.

Section 4 - Program Roles

The District Administrator will designate staff from Permitting and Policy Planning Departments who will coordinate program activity, and support the Administrator in evaluating requests for assistance during the Concept phase, and project evaluation during the Feasibility phase.

The Board's involvement will be as follows:
• The Board annually will establish aggregate budgets for Planning and Permitting subfunds, as well as aggregate budgets for independent Administrator spending from those subfunds.
• The Board Policy & Planning Committee will receive a program update from staff annually, or at a frequency it specifies.
• The Board will decide whether a project moves to Feasibility phase, and consider Feasibility-phase expenditures beyond the Administrator's authority.
• The Board will decide whether the District will proceed to project implementation, and will be responsible for all formal actions subsequently necessary to order and implement the project.

Section 5 - Further Program Guidance

The District Administrator will provide for the following additional program guidance:
• Internal program administration and project identification/screening guidance for Permitting and Policy Planning Department staff.
• Internal program guidance for project evaluation.
• Guidance for cities and other potential project proponents, to provide awareness of the program, facilitate understanding of District program implementation, and solicit interest.
### Project Evaluation Form

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<thead>
<tr>
<th>Criteria and Considerations</th>
<th>Staff Evaluation</th>
<th>Cross Departmental Evaluation Team</th>
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</thead>
<tbody>
<tr>
<td><strong>Resource Need &amp; Priority</strong></td>
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<td>Alignment with the resource needs and priorities identified in the District’s WMP or through ongoing monitoring and diagnostic efforts.¹</td>
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<tr>
<td>Resource needs and strategies identified through District WMP or ongoing monitoring and diagnostic efforts (e.g., impairment, flooding, degraded waterbody)</td>
<td></td>
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<tr>
<td>Public value of the resource (e.g., local, regional, or system-level significance)</td>
<td>[Staff Evaluation]</td>
<td>[Team Evaluation Comments]</td>
</tr>
<tr>
<td>Connection to other District projects or studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated/potential benefits across the District’s 4 goals of water quality, water quantity, ecological integrity, and thriving communities.</td>
<td></td>
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</tr>
<tr>
<td><strong>Primary:</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Water quality benefit/pollutant load reduction(s) to an impaired water</td>
<td></td>
<td></td>
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<tr>
<td><strong>Secondary:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Pollutant load reduction(s) to non-impaired water</td>
<td>[Staff Evaluation]</td>
<td>[Team Evaluation Comments]</td>
</tr>
<tr>
<td>• Volume control/reduction ¹</td>
<td></td>
<td></td>
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<tr>
<td>• Ecological and/or habitat improvements</td>
<td></td>
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<tr>
<td>• Community benefits</td>
<td></td>
<td></td>
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<tr>
<td>• Hazard mitigation</td>
<td></td>
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<tr>
<td><strong>Cost-effectiveness</strong></td>
<td></td>
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<tr>
<td>Cost-effectiveness compared to:</td>
<td></td>
<td></td>
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<tr>
<td>• Current project opportunities under evaluation (i.e., competing for District funds and staff time)</td>
<td></td>
<td></td>
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<tr>
<td>• Other projects of similar type, scale, and location (i.e., urban vs. rural)</td>
<td>[Staff Evaluation]</td>
<td>[Team Evaluation Comments]</td>
</tr>
<tr>
<td>• Alternative options for addressing resource need</td>
<td></td>
<td></td>
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<tr>
<td><strong>Additional costs to the District in order to realize the benefits (e.g., staff time/cost for project development, coordination, administration)</strong></td>
<td></td>
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<tr>
<td><strong>Ability to leverage multiple funding sources</strong></td>
<td></td>
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<tr>
<td><strong>Partnership &amp; Coordination</strong></td>
<td></td>
<td></td>
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<tr>
<td>Strength of partner’s coordination, integration of District goals, and willingness to commit resources to advance the opportunity.</td>
<td></td>
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<tr>
<td><strong>Early and effective coordination of the request</strong></td>
<td></td>
<td></td>
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<tr>
<td>• District engagement during Phase I: Concept and Phase II: Feasibility</td>
<td>[Staff Evaluation]</td>
<td>[Team Evaluation Comments]</td>
</tr>
<tr>
<td>• Incorporation of District’s goals, plans, and input</td>
<td></td>
<td></td>
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<tr>
<td>• Lead time for District to plan for capacity needs</td>
<td></td>
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<tr>
<td><strong>Partner capacity and commitment to advance the project</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Partner commitment of own staff and/or financial resources</td>
<td></td>
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<tr>
<td>• Incorporation of project into partner’s own plans or CIP</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ranking</strong></td>
<td>[Staff Rank: Low, Medium, High]</td>
<td>[Team Rank: Low, Medium, High]</td>
</tr>
</tbody>
</table>

¹ Primary emphasis will be placed on projects that help address an impairment. It is anticipated that increased focus will be placed on climate adaptation/resilience once priority areas and targets for stormwater volume control are developed through the 2D modeling effort.
<table>
<thead>
<tr>
<th>Role Determination Guidance Sheet</th>
<th>Determination of the type and level of District support is based on the Criteria and Evaluation Form and the below considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role Considerations</td>
<td>Cross Departmental Team Considerations</td>
</tr>
<tr>
<td>Staff Considerations</td>
<td>Cross Departmental Team Considerations</td>
</tr>
<tr>
<td>Need</td>
<td></td>
</tr>
<tr>
<td>• What is being requested?</td>
<td></td>
</tr>
<tr>
<td>• What support will it take for the project to move forward?</td>
<td></td>
</tr>
<tr>
<td>Balance of roles and investment</td>
<td></td>
</tr>
<tr>
<td>• What is the priority level for this project from the District vs. partner perspective?</td>
<td></td>
</tr>
<tr>
<td>• What are the areas of expertise and available capacity of the District vs. partner?</td>
<td></td>
</tr>
<tr>
<td>• What are the benefits of the District leading vs. supporting project?</td>
<td></td>
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<tr>
<td>Timing/urgency</td>
<td></td>
</tr>
<tr>
<td>• Is the opportunity tied to a fixed schedule?</td>
<td></td>
</tr>
<tr>
<td>• Did the project follow the District’s schedule and engage the District early?</td>
<td></td>
</tr>
<tr>
<td>• Does the District have capacity to respond on the partner’s timeline?</td>
<td></td>
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<tr>
<td>Relationships</td>
<td></td>
</tr>
<tr>
<td>• What are the relationship benefits and risks associated with District involvement?</td>
<td></td>
</tr>
<tr>
<td>• Are there any existing commitments or expectations set by District or partner?</td>
<td></td>
</tr>
<tr>
<td>• Who are the key players for this project, and is there support or opposition?</td>
<td></td>
</tr>
<tr>
<td>Additional Role Considerations for Phase II - Project Feasibility</td>
<td></td>
</tr>
<tr>
<td>Data Collection/Analysis:</td>
<td></td>
</tr>
<tr>
<td>• Does the District have a strong understanding of the system and resource needs?</td>
<td></td>
</tr>
<tr>
<td>Planning and Technical Assistance:</td>
<td></td>
</tr>
<tr>
<td>• Does the District have a good understanding of opportunities and potential costs/benefits?</td>
<td></td>
</tr>
<tr>
<td>• Is it a large/complex system and/or multiple jurisdictions where the District could provide value as a convener?</td>
<td></td>
</tr>
<tr>
<td>Regulatory Analysis and Permitting Assistance</td>
<td></td>
</tr>
<tr>
<td>• Are there regulatory concerns or obstacles?</td>
<td></td>
</tr>
<tr>
<td>Additional Role Considerations for Phase III - Project Implementation</td>
<td></td>
</tr>
<tr>
<td>Is there an applicable project in the District WMP or would it require a Plan Amendment?</td>
<td></td>
</tr>
<tr>
<td>What are the project risks or potential barriers (e.g. feasibility, land rights, support)?</td>
<td></td>
</tr>
<tr>
<td>Financial Considerations</td>
<td></td>
</tr>
<tr>
<td>• Is it a good candidate for any grants? Has or will any external funding be secured?</td>
<td></td>
</tr>
<tr>
<td>• District funding amount:</td>
<td></td>
</tr>
<tr>
<td>o Eligible costs (tied to water quality and exceeding requirements)</td>
<td></td>
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<tr>
<td>o Partner contribution</td>
<td></td>
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<tr>
<td>o Cost-effectiveness</td>
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<tr>
<td>o Requested amount and/or perceived need</td>
<td></td>
</tr>
<tr>
<td>o Funding capacity in WMP and budget</td>
<td></td>
</tr>
<tr>
<td>o Past precedents for similar projects</td>
<td></td>
</tr>
<tr>
<td>o Current and past District investments in the area</td>
<td></td>
</tr>
</tbody>
</table>